

ACCOUNTING POLICY

TOPIC: Section 4--Receivables 3.3	EFFECTIVE DATE: 6/13/86
TITLE: Repayment and Deposit of Salary Overpayments and Voluntary Deductions	REVISION DATE: 9/13/99
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Repayment Procedures. It is the responsibility of the Bureau of Fiscal Services (BFS) to collect the amount indicated on the DMT-44 and referenced on the collection letters prepared by the Payroll Benefit Specialists. Deposit vouchers must be prepared for all collections.

There are two situations that determine the repayment procedure:

- (1) Entire check redeposit--no money due from employee.
- (2) Payment is due from the employee--not entire check redeposit/partial repayment.

PROCEDURES

1. Entire Check Redeposit - No Money Due From Employee

After issuance, the check advice was not sent to the employee/bank but was returned to the Institution or BPER Payroll Unit. The paycheck/advice number will be inserted in the check/advice # field on the DMT-44, and the first box in the upper left corner of the DMT-44 will be checked (Total Check Redeposit).

If a Supplemental Payroll is prepared due to a redeposit of an entire check, all voluntary deductions on the supplemental payroll are to be made payable to DHFS provided the new check is large enough to cover them, and the voluntary deductions are the same as on the initial check. If the supplemental check does not cover the voluntary deductions, efforts must be undertaken to collect the voluntary deductions from the organization(s) that received them (See APP **Receivables 3.1**, page 1, #3).

The payroll unit is to forward all correspondence **and the payroll check** to BFS, which prepares a deposit voucher, DMT-141, within seven (7) calendar days using the same accounting codes shown on the payroll register.

- a. DO NOT COMPLETE THE AMOUNT COLUMN ON THE DEPOSIT VOUCHER.
- b. DO NOT USE THE 975 APPROPRIATION DEPOSIT CONCEPT.

In the Description Column on the Deposit Voucher (limit 35 spaces), list the name of employee, refund number, and numeric pay period (listed on DMT-44).

The Institution and Administrative Accounting Section will prepare the WiSMART Cash Receipts transaction and send it to the State Treasurer's office with the check properly endorsed. BFS will prepare the necessary entries for the various standard deductions listed on the DMT-44 and the following voluntary deductions: Group Health Insurance, Group Life Insurance, Income Continuation Insurance, ERA, Savings Bonds and Additional State Retirement. Any outstanding voluntary deductions will be set up on the ARS.

2. Payment Is Due From the Employee - Not Entire Check Redeposit

a. Complete payment from employee

It is the responsibility of BFS to collect the amount indicated on the DMT-44 and referenced on the collection letters prepared by the Institution or Division Payroll Specialists. Deposit vouchers must be prepared by BFS for all collections. If checks are not received in a timely manner, please refer to **Receivables 2.0**.

If collection is made during the same fiscal year, BFS prepares a Deposit Voucher using the original payroll expenditure accounting codes. In the Description Column, list the name of the employee, DMT-44 refund number, numeric pay period, and invoice number. Reference the RE # in the cross reference column.

If the payment is received for a DMT-44 originated in the prior state fiscal year, the Deposit Voucher coding will be the same appropriation, project, and account as the original expenditure except for the following:

- (1) If the appropriation is a GPR appropriation (such as 101, 201, 301, 401, 601 or 801), the appropriation is then changed to the General Revenue Appropriation (such as 100, 200, 300, 400, 600, or 800).
- (2) If the DMT-44 pertains to a GPR and PR appropriations and was set up in Accounts Receivable System, the account would now be 494300.

DO NOT INCLUDE THE AMOUNT ON THE DEPOSIT VOUCHER. The Institution and Administrative Accounting Section will complete the deposit voucher and prepare the Cash Receipts Transaction and send it to the State Treasurer's office with the check properly endorsed. BFS will prepare the necessary entries for the various standard deductions listed on DMT-44.

b. Installment Payments

Overpayments should be returned in a single payment. If this is not possible, the approval of the appointing authority and a written agreement signed by the debtor is required for an installment agreement (Attachment A). For partial payment, the deposit voucher is prepared with this information in the Description Column; list the partial payment, name of employee, DMT refund number, numeric pay period, invoice number, and the remaining balance still due to DHFS. When future repayment occurs during the same state fiscal year, BFS prepares a deposit voucher. The final partial payment must be indicated on the deposit voucher in the description column.

When payment is received for a DMT-44, which originated in a prior state fiscal year, the deposit voucher coding will be the same appropriation, project and account as the original expenditure except for the following:

- (1) If a GPR appropriation is used (such as 101, 201, 301, 401, 601 or 801), the appropriation is then changed to the general revenue appropriation (such as 100, 200, 300, 400, 600, or 800).
- (2) If the DMT-44 pertains to a GPR and PR appropriation and was set up in accounts receivable, the account would now be 494300.

BFS will prepare the WiSMART Cash Receipts transaction and send it to the State Treasurer's Office with the check properly endorsed. BPER will prepare the necessary entries for deduction accounts, such as Social Security and retirement when the last payment is made or at calendar year end, whichever is first.

3. Notification of Satisfactory Repayment

BFS will forward a copy of the DMT-44, with the deposit voucher number in the designated area, indicating full payment has been made, to the Payroll Specialist in the Reporting Section of BPER. The payroll adjustment document will then be completed and the change reflected on the year-to-date earnings if the repayment is in the same calendar year.

Whenever an employe repays a prior calendar year salary overpayment in a subsequent calendar year, the employe may be eligible for a credit. In January of each year, the Bureau of Fiscal Services will prepare a letter to the employe advising him/her of the receipt of the repayment and the possibility of a tax credit.

CONTACT PERSON

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